

**Summary of Changes Made to PR 317 Subsequent to the Public Consultation Meeting on September 24, 2008**

(c)(2) BASELINE EMISSIONS - expanded definitions to clarify baseline emissions for sources that become subject to the rule, during or subsequent to the attainment year, as follows:

- Non-RECLAIM source:
  - PTE
- Existing RECLAIM source:
  - Higher of RTC holdings at the beginning of the year, OR
  - Actual emissions (not to exceed RTC holdings at the end of the reconciliation period).
- New RECLAIM source:
  - Higher of RTC credits purchased at the beginning of the year, OR
  - Actual emissions (not to exceed RTC holdings at the end of the reconciliation period).

(c)(5) MAJOR STATIONARY SOURCE - expanded the definition to differentiate between RECLAIM and non-RECLAIM major stationary sources, as follows:

- Non-RECLAIM major stationary source:
  - Section 181(b)(4)(B) and 182(d) of the 1990 Amendments to the Clean Air Act, if applicable, OR
  - As defined in subdivision (s) of SCAQMD Rules 1302 – Definition of Terms.
- RECLAIM major stationary source (as defined in paragraph (b)(2) of SCAQMD Rule 3001 – Applicability) where PTE for a RECLAIM facility is the higher of:
  - The starting allocation plus nontradeable credits, OR
  - RECLAIM trading credits (RTCs) held in the allocation account after trading. RTC's held in the certificate account are not part of the allocation.

## **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

### **PRELIMINARY DRAFT STAFF REPORT**

### **PROPOSED RULE 317 – CLEAN AIR ACT NON-ATTAINMENT FEES**

November 2008

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## **APPENDICES**

### **A LIST OF MAJOR STATIONARY SOURCES IN THE AQMD (AUGUST 2008)**

## **EXECUTIVE SUMMARY**

Proposed Rule 317 – Clean Air Act Non-attainment Fees promulgates the mandatory requirements for air basins in the South Coast Air Quality Management District (SCAQMD) that are not in attainment with the federal one-hour standard for ozone as contained in Sections 182(d), 182(e), 182(f) and 185 of the 1990 amendments to the Clean Air Act (CAA). Major stationary sources of Volatile Organic Compounds (VOC) and Nitrogen Oxides (NO<sub>x</sub>), both pollutant precursors of ozone, must either reduce these emissions or otherwise pay a CAA non-attainment fee in lieu of reductions. The CAA non-attainment fee is assessed for both VOC as well as for NO<sub>x</sub> emissions from subject sources. CAA non-attainment fees are based on actual VOC and NO<sub>x</sub> emissions that exceed 80% of the baseline emissions in the attainment year, respectively.

The SCAQMD encompasses the South Coast Air Basin (SOCAB) along with portions of the Salton Sea Air Basin (SSAB) and the Mojave Desert Air Basin (MDAB). For air basins classified as “Severe 17” (SSAB) the attainment year is 2007; for those classified as “Extreme” (SOCAB) the attainment year is 2010. For the purposes of PR 317 the MDAB is undesignated and there is no set attainment date.

CAA non-attainment fees would be assessed in an assessment year which would be each calendar year beginning with the year following the attainment year and due the year following the assessment year. Furthermore, a major stationary source that does not mitigate emissions of VOC and NO<sub>x</sub> below 80% of the source’s baseline emissions will be required to pay the VOC and NO<sub>x</sub> CAA non-attainment fees annually for the amount of the source emissions that exceed 80% of the baseline emissions. Such fees are required to be paid annually until the Administrator of the United States Environmental Protection Agency (U.S. EPA) designates the air basin as being in attainment with the federal one-hour ozone standard. CAA non-attainment fees shall be due to the AQMD in the year following the assessment year in accordance with the current provisions regarding payment of emissions fees as contained in Rule 301(e)(10). Late and non-payment of CAA non-attainment fees are also subject to the fee surcharge and permit revocation provisions of Rule 301(e)(10).

Before any fees are assessed however, the Administrator of the U.S. EPA or the Executive Officer (EO) must make a finding that the basin is actually not in attainment of the federal one-hour standard for ozone. For the purposes of this rule a non-RECLAIM major stationary source is defined, as a source having a potential (or permitted) to emit (PTE) of greater than 25 tons per year in the SSAB and 10 tons per year in the SOCAB. RECLAIM sources are defined as major stationary sources, based on the source PTE, pursuant to paragraph (b)(2) of Rule 3001 – Applicability. CAA non-attainment fees received by the AQMD in compliance with these rule requirements will be used for air quality improvement programs.

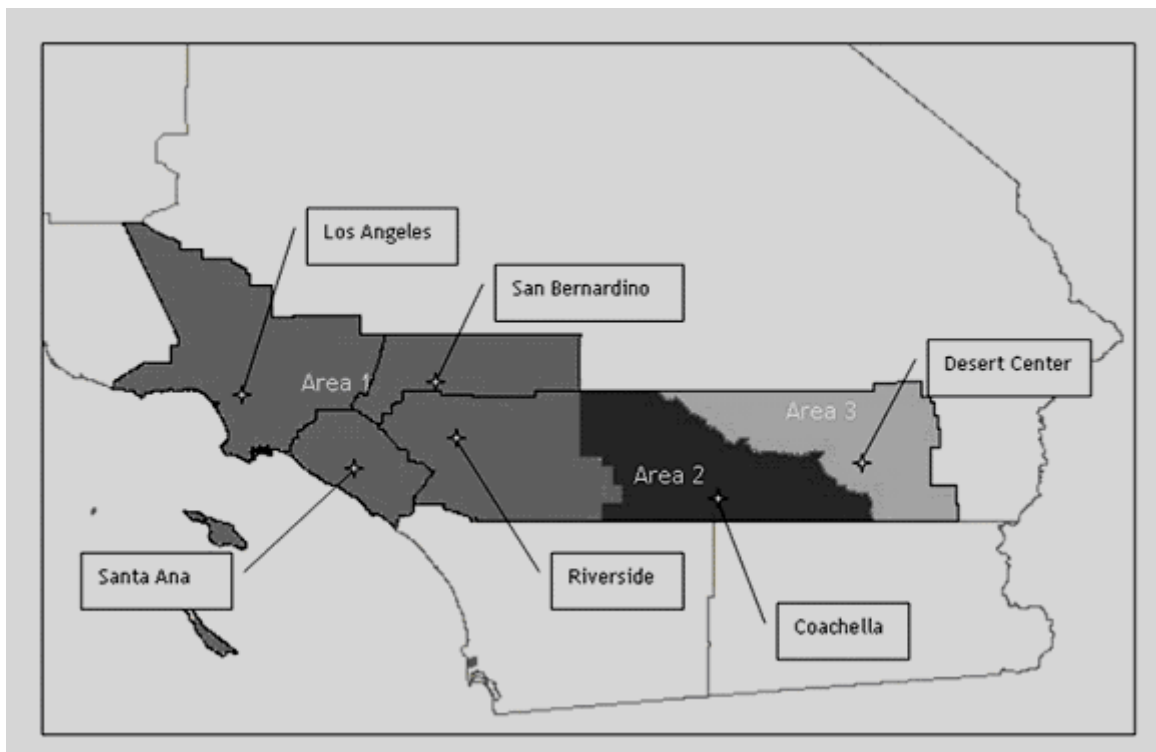
## **BACKGROUND**

PR 317 promulgates mandatory requirements of the CAA regarding air basin attainment deadlines for ozone and required mitigation in the absence of such attainment. Figure 1 shows air basins in the AQMDs jurisdiction. Area 1 is the portion of the AQMD in the SOCAB, Area 2

is the Riverside County portion of the SSAB in the AQMD and Area 3 is non-Palo Verde, Riverside County portion of the MDAB in the AQMD. The air basins are also overlaid onto county boundaries for reference. Geographically, for the areas in the AQMD's jurisdiction, air basins and counties generally correspond as follows:

- SOCAB (Area 1) - generally corresponds to metropolitan Los Angeles, Orange, western Riverside and south-western San Bernardino counties.
- SSAB (Area 2) - generally corresponds to the central portion of Riverside County.
- MDAB (Area 3) - generally corresponds to the eastern portion of Riverside county up to the Palo-Verde area.

Figure 1 – Air Basins in the AQMD and County Boundaries



Based on the criteria in Section 181(a) of the CAA - Classification and Attainment Dates for 1989 Non-attainment Areas and 1990 ozone readings the AQMD's basins are classified as shown in Table 1. For air basins classified as Extreme the CAA requires attainment with the federally established one-hour standard for ozone no later than 2010. For air basins classified as Severe 17 the CAA requires attainment with the federally established one-hour standard for ozone no later than 2007. If the air basin is not in attainment by the applicable attainment date then a major stationary source must either reduce emissions of VOC/NO<sub>x</sub> as applicable, or pay a

CAA non-attainment fee. The MDAB (Area 3) has a status of unclassified attainment, and so PR 317 does not apply to the sources in this basin.

Table 1 – CAA Classification and Attainment Dates for Air Basins in the AQMD

Air Basin	Attainment Status	Mandatory CAA Attainment Year (1-Hour Ozone Standard)
SOCAB (Area 1)	“Extreme” non-attainment	2010
SSAB (Area 2)	“Severe 17” non-attainment	2007
MDAB (Area 3)	Undesignated	Not Applicable

For the purposes of this rule a source qualifies as a major stationary source based on the PTE (permitted emissions level or “allowables”) of VOC/NO<sub>x</sub> for all permitted units at the source or RECLAIM credits held. For sources located in the SOCAB (Area 1) this is any stationary source with a PTE of 10 or more tons of either VOC or NO<sub>x</sub> (not combined), annually. For sources located in the SSAB (Area 2) this is any stationary source with a PTE of 25 or more tons of either VOC or NO<sub>x</sub> (not combined), annually. There is currently no threshold for sources located in the MDAB since this basin is classified as attainment/undesignated.

For the purposes of this rule a Non-RECLAIM major stationary source, based on the source PTE, is defined in Sections 181(b)(4)(B) and 182(d) of the CAA and as shown in Table 2. Also, where applicable a Non-RECLAIM major stationary source is also the same as a Major Polluting Facility as defined in Rule 1302(s) – Definition of Terms.

A unique feature of the AQMD is the Regional Clean Air Incentives Market or RECLAIM program. RECLAIM is a special cap and trade program established for medium to large sized emitters of NO<sub>x</sub> and SO<sub>x</sub> located in the SOCAB. This program allows sources in the program to trade credits with other sources in the program. Due to the fluid nature of RECLAIM trading emissions credits (RTCs), special provisions have been crafted for Title V applicability and PTE. To recognize and continue this unique program, specific language for RECLAIM sources subject to this rule has been crafted. These provisions deal with the issues of PR 317 applicability to and baseline emissions for RECLAIM sources. For the purposes of this rule, a RECLAIM source is a major stationary source subject to PR 317 if, the source PTE is greater than or equal to 10 tons prior to the attainment year or the year the PTE became greater than or equal to 10 tons if this first occurs during or after the attainment year, based on the current Title V RECLAIM program definition of PTE as found in paragraph (b)(2) of Rule 3001 – Applicability. Paragraph (b)(2) of



Rule 3001 defines PTE for a RECLAIM facility as either the higher of the starting allocation plus nontradeable credits or, RTCs that are held in the allocation account after trading.

Table 2 – Definition of Major Stationary Source Based on Permitted Source Emissions (PTE)

Air Basin	Attainment Status	Potential to Emit/Permitted Source Emissions of Either VOC or NO <sub>x</sub>
SOCAB (Area 1)	“Extreme” non-attainment	10 or more Tons Per Year
SSAB (Area 2)	“Severe 17” non-attainment	25 or more Tons Per Year
MDAB (Area 3)	Undesignated	Not Applicable

Table 3 below provides some examples of whether a source qualifies as a major stationary source or not. Note that a source located in the SOCAB must have the potential to emit at least 10 tons of VOC or the potential to emit at least 10 tons of NO<sub>x</sub> per year in order to qualify as a major stationary source for the purposes of PR 317. A source located in the SSAB must have the potential to emit at least 25 tons of VOC or the potential to emit at least 25 tons of NO<sub>x</sub> per year in order to qualify as a major stationary source for the purposes of PR 317.

Table 3 – Examples of Whether a Source Qualifies as a Major Stationary Source (TPY)

Air Basin	Source VOC PTE	Source NO <sub>x</sub> PTE	Qualifying VOC PTE	Qualifying NO <sub>x</sub> PTE	Major Stationary Source
SOCAB	5	7	10	10	NO
SOCAB	59	1	10	10	YES for VOC
SOCAB	6	58	10	10	YES for NO <sub>x</sub>
SOCAB	25	11	10	10	YES for BOTH
SSAB	24	20	25	25	NO
SSAB	51	6	25	25	YES for VOC
SSAB	11	25	25	25	YES for NO <sub>x</sub>
SSAB	450	427	25	25	YES for BOTH
MDAB	N/A	N/A	N/A	N/A	Not Applicable

## CAA NON-ATTAINMENT FEES

Air basins under the jurisdiction of the AQMD are defined in PR 317 and must be in compliance with the both the federal one-hour and current eight-hour standard for ozone by a specific date, the attainment date, as shown in Table 1. For air basins that are not in attainment by the attainment date, section 185(a) of the CAA mandates that a fee be assessed to major stationary sources located in those air basins for each excess ton of both VOC and NO<sub>x</sub> emissions as further defined in Section 185(b) of the CAA. For the purposes of PR 317 this is defined as a CAA non-attainment fee. However, in PR 317, before the fee is actually assessed the Administrator of the U.S. EPA or the AQMD EO must find the basin (either the SOCAB or the SSAB) is not in attainment with the federal one-hour standard for ozone.

This CAA non-attainment fee is computed based on emissions of VOC and NO<sub>x</sub> that are in excess of eighty percent of the baseline VOC and NO<sub>x</sub> emissions, calculated separately for each air contaminant. Baseline Emissions for a major stationary source, are calculated for each air contaminant, VOC and NO<sub>x</sub> separately, as follows:

For sources subject to this rule prior to the attainment year, the baseline emissions shall be the amount of the actual emissions during the attainment year that do not exceed the permitted allowables.

For sources subject to this rule during or after the attainment year:

- (i) For a non-RECLAIM major stationary source the baseline emissions shall be the amount of emissions allowed under the applicable implementation plan (the permitted annual emissions levels).
- (ii) For an existing RECLAIM facility that subsequently qualifies as a major stationary source for the purposes of this rule the baseline emissions shall be the higher of the RTC holdings at the beginning of the year the source becomes a major stationary source that do not exceed the RTC holdings at the end of the reconciliation period.
- (iii) For a new RECLAIM facility that qualifies as a major stationary source for the purposes of this rule the baseline emissions shall be the higher of the RTC credits purchased at the beginning of the attainment year or initial year of operation, as applicable, or actual emissions, not to exceed RTC holdings at the end of the reconciliation period.

If a major stationary source is operational for a period of less than one calendar year in the attainment or initial year of operation, as applicable, the emissions from the operational period shall be extrapolated over the entire calendar year.

Beginning with the year after the attainment year, and each year thereafter (fee assessment year) and until the Administrator of the U.S. EPA designates the air basin to be in attainment of the federal one-hour standard for ozone, both the VOC and NO<sub>x</sub> annual CAA non-attainment fees shall be assessed for all major stationary sources. It should be noted an extension of the assessment year could be granted in accordance with Section 185(c) of the CAA provided certain conditions are met including there is no more than 1 exceedance of the national ambient air quality standard level for ozone in the area in the year preceding the extension year. This

condition was not achieved for the SSAB and undoubtedly will not be achieved in the SOCAB in 2010. Therefore, staff has not included this option in PR 317.

CAA non-attainment fees will be billed and due in the year immediately following the assessment year in accordance with the annual emissions fee billing requirements as established in Rule 301(e)(10). A major stationary source that does not pay any or all of the required CAA non-attainment fees, by the specified due date, shall be subject to the late payment surcharge and permit revocation provisions of Rule 301(e)(10). For major stationary sources in the SSAB the calendar year for baseline emissions is 2007, the first assessment year is 2008 and the first year for remittance is 2009. For major stationary sources in the SOCAB the calendar year for baseline emissions is 2010, the first assessment year is 2011 and the first year for remittance is 2012.

A source qualifies as a major stationary source based on its PTE of VOC or NO<sub>x</sub> emissions (in tons per year) or for RECLAIM facilities as defined in paragraph (b)(2) of Rule 3001 - Applicability. CAA non-attainment fees for a major stationary source however, are assessed based on actual annual emissions from the source. A fee for each ton of VOC and for each ton of NO<sub>x</sub> emissions over eighty percent of the baseline emissions of the major stationary source is assessed. This CAA non-attainment fee is assessed at a CPI adjusted rate of \$5,000 per ton for each excess ton of VOC and for each excess ton of NO<sub>x</sub> in the assessment year(s). The CPI adjustment factor is based on the cumulative increase in the CPI from 1989 through to the assessment year in accordance with Section 185(b)(3) of the CAA and based on the index as specified in Section 502(b)(3)(B)(v).

Rule 317 fees will be collected concurrently with the Annual Emissions Reporting (AER) filings. AER is based on calendar year emissions and filings.

The PR 317 VOC CAA non-attainment fee for each major stationary source is computed based on the following formula:

$$\text{Annual VOC CAA non-attainment fee} = \$5,000 \times \text{CPIF} \times [ A - ( 0.8 \times B ) ], \text{ and}$$

The PR 317 NO<sub>x</sub> CAA non-attainment fee for each major stationary source is computed based on the following formula:

$$\text{Annual NO}_x \text{ CAA non-attainment fee} = \$5,000 \times \text{CPIF} \times [ D - ( 0.8 \times E ) ]$$

Where:

- A = The total amount of VOC emissions actually emitted during the applicable fee assessment year, in tons. If A is less than or equal to 80% of B; then there shall be no Annual VOC CAA non-attainment fee assessed for the subject year.
- B = The VOC baseline emissions as defined in this rule in tons per year.
- D = The total amount of NO<sub>x</sub> emissions actually emitted during the applicable fee assessment year, in tons. If D is less than or equal to 80% of E; then

there shall be no Annual NOx CAA non-attainment fee assessed for the subject year.

E = The NOx baseline emissions as defined in this rule in tons per year.

Where,

Variable	Value
Applicable Fee Assessment Year =	CY 2008 for a major stationary source in the SSAB and CY 2011 for a major stationary source in the SOCAB.
Baseline Emissions =	Emissions in the attainment year; CY 2007 for a major stationary source in the SSAB and CY 2010 for major stationary source in the SOCAB.
A =	The total amount of VOC emissions actually emitted during the applicable fee assessment year, in tons per year. If A is less than or equal to 80% of B; then there shall be no Annual VOC CAA non-attainment fee assessed for the subject year.
B =	The VOC baseline emissions as defined in this rule in tons per year.
D =	total amount of NOx emissions actually emitted during the applicable fee assessment year, in tons per year. If D is less than or equal to 80% of E; then there shall be no Annual NOx CAA non-attainment fee assessed for the subject year.
E =	The NOx baseline emissions as defined in this rule in tons per year.
CPIF =	The annual Consumer Price Index adjustment factor, beginning with the 1989 change in the index up to and including the change in year prior to the year for which the fees are due, in accordance with Section 502(b)(3)(B)(v) and 185(b)(3) of the federal Clean Air Act. The CAA requires this CAA non-attainment fee be an amount equivalent to \$5,000 per ton of VOC and \$5,000 per ton of NOx emissions adjusted by the cumulative increase in the Consumer Price Index (CPI) beginning in 1989 and up to and including the fee assessment year. For any calendar year the CPI is the average of the CPI for all-urban consumers published by the Department of Labor, as of the close of the 12-month period ending on

	August 31 of each calendar year or the revision of the CPI which is most consistent with the CPI for calendar year 1989 in accordance with Section 502(b)(3)(B)(v) and 185(b)(3) of the federal Clean Air Act.
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For CY 2009, the first year in which fees may be collected for sources in the SSAB and the CPI year reflecting the change in the 2008 fee assessment year, the adjustment factor is currently projected to be 1.664 (California Department of Finance), so that:

$$\$5,000 \text{ (in 1990 dollars)} \times \text{CPIF} = \$5,000 \times 1.664 = \$8,320 \text{ (in 2009 dollars)}$$

Currently, the following CPIF estimates are projected for CY's 2010 – 2012:

Fees Due in CY	CPIF	Adjusted Value of \$5,000
2010	1.713	\$8,565
2011	1.763	\$8,815
2012	1.816	\$9,080

Note that CPIF is not a constant and changes annually based on the annual change in the CPI.

The following are examples of PR 317 CAA non-attainment fee calculations (rounded to the nearest dollar):

Example 1 – Non-Major Stationary Source in the SSAB; Pays No CAA Non-Attainment Fees

- Source is located in the SSAB and has a permitted VOC emissions limit (PTE) of 24 TPY in attainment year 2007. Source is not assessed a PR 317 VOC CAA non-attainment fee in 2008 because it is not a major stationary source of VOC emissions for the purposes of PR 317 (VOC PTE of 25 or more tons per year).
- Source has a permitted NOx emissions limit (PTE) of 20 TPY in attainment year 2007. Source is not assessed a PR 317 NOx CAA non-attainment fee in 2008 because it is not a major stationary source of NOx emissions for the purposes of PR 317 (NOx PTE of 25 or more tons per year).
- Total CAA Non-Attainment Fees (SSAB due 2010) = Source VOC CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee  
= \$0 + \$0 = \$0

#### Example 2 – Non-Major Stationary Source in the SOCAB; Pays No CAA Non-Attainment Fees

- Source is located in the SOCAB and has a permitted VOC emissions limit (PTE) of 5 TPY in attainment year 2010. Source is not assessed a PR 317 VOC CAA non-attainment fee in 2011 because it is not a major stationary source of VOC emissions for the purposes of PR 317 (VOC PTE of 10 or more tons per year).
- Source has a permitted NOx emissions limit (PTE) of 7 TPY in attainment year 2010. Source is not assessed a PR 317 NOx CAA non-attainment fee in 2011 because it is not a major stationary source of NOx emissions for the purposes of PR 317 (NOx PTE of 10 or more tons per year).
- Total CAA Non-Attainment Fees (SOCAB due 2012) = Source VOC CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee  
= \$0 + \$0 = \$0

#### Example 3 – Major Stationary Source for VOC; Pays a VOC CAA Non-Attainment Fee (SSAB/SOCAB)

- Source has a permitted VOC emissions limit (PTE) of 75 TPY in attainment year 2007 (or 2010 if located in the SOCAB), baseline (actual) VOC emissions of 60 tons in attainment year 2007 (or 2010 if located in the SOCAB) (B) and actual VOC emissions of 59 tons in assessment year 2008 (or 2011 if located in the SOCAB) (A). Source is a major stationary source of VOCs in the SSAB (PTE  $\geq$  25 TPY) for the purposes of this rule and pays a PR 317 VOC CAA non-attainment fee for 2008, due in 2009 in the amount of:

$$\begin{aligned}\text{VOC CAA Non-Attainment Fee (SSAB)} &= \$5,000/\text{ton} \times \text{CPIF} \times [A - (0.8 \times B)] \\ &= \$5,000/\text{ton} \times 1.664 \times [59 \text{ tons} - (0.8 \times 60 \text{ tons})] \\ &= \$8,320/\text{ton} \times 11 \text{ tons} \\ &= \$91,520\end{aligned}$$

or, if source is a major stationary source of VOCs in the SOCAB (PTE  $\geq$  10 TPY) for the purposes of this rule it pays a PR 317 VOC CAA non-attainment fee for 2011, due in 2012 in the amount of:

$$\begin{aligned}\text{VOC CAA non-attainment fee (SOCAB)} &= \$5,000/\text{ton} \times \text{CPIF} \times [A - (0.8 \times B)] \\ &= \$5,000/\text{ton} \times 1.816 \times [59 \text{ tons} - (0.8 \times 60 \text{ tons})] \\ &= \$9,080/\text{ton} \times 11 \text{ tons} \\ &= \$99,880\end{aligned}$$

- Source has a permitted NOx emissions limit (PTE) of 5 TPY in attainment year 2007 (or 2010 if located in the SOCAB). This source is not assessed a NOx CAA non-attainment fee in 2008 (or 2011 if located in the SOCAB) because it is not a major stationary source of NOx emissions for the purposes of PR 317, regardless of the source location.
- Total CAA Non-Attainment Fees = Source VOC CAA Non-Attainment Fee + Source NOx CAA Non-Attainment Fee  
(SSAB due 2009) = \$91,520 + \$0 = \$91,520  
(SOCAB due 2012) = \$99,880 + \$0 = \$99,880

Example 4 – Major Stationary Source for VOC and NO<sub>x</sub>; Pays a VOC CAA Non-Attainment Fee and NO<sub>x</sub> CAA Non-Attainment Fee (SSAB/SOCAB)

- Source has a permitted VOC emissions limit (PTE) of 450 TPY in attainment year 2007 (or 2010 if located in the SOCAB), baseline (actual) VOC emissions of 420 tons in attainment year 2007 (or 2010 if located in the SOCAB) (B) and actual VOC emissions of 400 tons in assessment year 2008 (or 2011 if located in the SOCAB) (A). Source is a major stationary source of VOCs in the SSAB (PTE ≥ 25 TPY) for the purposes of this rule and pays a PR 317 VOC CAA non-attainment fee for 2008, due in 2009 in the amount of:

$$\begin{aligned}\text{VOC CAA Non-Attainment Fee} &= \$5,000/\text{ton} \times \text{CPIF} \times [A - (0.8 \times B)] \\ (\text{SSAB}) &= \$5,000/\text{ton} \times 1.664 \times [400 \text{ tons} - (0.8 \times 420 \text{ tons})] \\ &= \$8,320/\text{ton} \times 64 \text{ tons} \\ &= \$532,480\end{aligned}$$

or, source is a major stationary source of VOCs in the SOCAB (≥10 TPY) for the purposes of this rule and pays a PR 317 VOC CAA non-attainment fee for 2011, due in 2012 in the amount of:

$$\begin{aligned}\text{VOC CAA Non-Attainment Fee} &= \$5,000/\text{ton} \times \text{CPIF} \times [A - (0.8 \times B)] \\ (\text{SOCAB}) &= \$5,000/\text{ton} \times 1.816 \times [400 \text{ tons} - (0.8 \times 420 \text{ tons})] \\ &= \$9,080/\text{ton} \times 64 \text{ tons} \\ &= \$581,120\end{aligned}$$

- Source has a permitted NO<sub>x</sub> emissions limit (PTE) of 427 TPY in attainment year 2007 (or 2010 if located in the SOCAB), baseline (actual) NO<sub>x</sub> emissions of 400 tons in attainment year 2007 (or 2010 if located in the SOCAB) (E) and actual NO<sub>x</sub> emissions of 380 tons in assessment year 2008 (or 2011 if located in the SOCAB) (D). Source is a major stationary source of NO<sub>x</sub> in the SSAB (PTE ≥ 25 TPY) for the purposes of this rule and pays a PR 317 NO<sub>x</sub> CAA non-attainment fee for 2008, due in 2009 in the amount of:

$$\begin{aligned}\text{NO}_x \text{ CAA Non-Attainment Fee} &= \$5,000/\text{ton} \times \text{CPIF} \times [A - (0.8 \times B)] \\ (\text{SSAB}) &= \$5,000/\text{ton} \times 1.664 \times [380 \text{ tons} - (0.8 \times 400 \text{ tons})] \\ &= \$8,320/\text{ton} \times 60 \text{ tons} \\ &= \$499,200\end{aligned}$$

or, source is a major stationary source of NO<sub>x</sub> in the SOCAB (≥10 TPY) for the purposes of this rule and pays a PR 317 NO<sub>x</sub> CAA non-attainment fee for 2011, due in 2012 in the amount of:

$$\begin{aligned}\text{NO}_x \text{ CAA Non-Attainment Fee} &= \$5,000/\text{ton} \times \text{CPIF} \times [A - (0.8 \times B)] \\ (\text{SOCAB}) &= \$5,000/\text{ton} \times 1.816 \times [380 \text{ tons} - (0.8 \times 400 \text{ tons})] \\ &= \$9,080/\text{ton} \times 60 \text{ tons} \\ &= \$544,800\end{aligned}$$

- Total CAA Non-Attainment Fees = Source VOC CAA Non-Attainment Fee + Source NO<sub>x</sub> CAA Non-Attainment Fee  
(SSAB due 2012) = \$532,480 + \$499,200 = \$1,031,680

$$(\text{SOCAB due 2012}) = \$581,120 + \$544,800 = \$1,125,920$$

## PR 317 INVENTORY

An estimated projection of the PR 317 Inventory was generated using a data set obtained by cross referencing the AQMD's Annual Emissions Reporting (AER) inventory data and Title V database and based on the following assumptions:

1. All sources with a potential (or permitted) to emit 25 or more tons per year of either VOC or NO<sub>x</sub> emissions annually and located in the portion of the SSAB that is in the jurisdiction of the AQMD, are major stationary source's and included in this estimate.
2. All other sources with a potential (or permitted) to emit 10 or more tons per year of either VOC or NO<sub>x</sub> emissions annually and located in the portion of the SOCAB that is in the jurisdiction of the AQMD, are also major stationary source's and included in this estimate.
3. Sources are classified as major stationary sources based on their potential to emit or permitted level of emissions however, fee amounts are based on actual emissions in the applicable fee assessment year.
4. Actual, FY 06-07 VOC and NO<sub>x</sub> emissions data is used as a proxy for and assumed equivalent to actual CY 2006 emissions of these same pollutants.
5. Actual emissions include permitted (RECLAIM and non-RECLAIM) and non-permitted (fugitive) source emissions, where applicable.
6. The CPIF provides a CPI inflation based increase in the initial \$5,000 per ton fee based on the CPI for the given assessment year for each ton of VOC and for each ton of NO<sub>x</sub> emitted in excess of 80% of the major stationary sources baselines for these air contaminants.
7. The set of major stationary sources remains static from 2006 through 2011. No new major stationary sources are permitted and no existing major stationary sources drop out of the current list (see Appendix 1) during this time period. This last assumption is highly unlikely so the figures presented should be regarded as one of a set of possible projections of CAA revenues.

As of July 2008, there were 585 potential major stationary sources in the AQMD; 584 in the SOCAB and 1 in the SSAB (Imperial Irrigation District, ID#62862). It is currently projected that out of the 584 major stationary source's in the SOCAB, 85 major stationary sources will not pay a CAA non-attainment fee in 2012 because they do not currently have any air emissions of VOC or NO<sub>x</sub>. For the remaining 499 major stationary sources in the SOCAB the highest combined (VOC and NO<sub>x</sub>) major stationary source fee paid by a major stationary source in 2012 is projected to be approximately \$2.7 million while the lowest combined CAA non-attainment fee is projected to be approximately \$472. The average combined major stationary source CAA



non-attainment fee in 2012 is projected to be approximately \$60,138. These figures assume no annual reduction in either VOC or NOx emissions from the reported FY 06-07 annual emissions inventory data for the major stationary sources which this analysis is based on.

Tables 4 and 5 below show the projected range of estimated revenues from CAA non-attainment fees based on uniform varying rates of annual emission reductions from major stationary sources after the attainment date. Table 4 shows estimated projected revenues from the only major stationary source currently located in the SSAB (Imperial Irrigation District, ID#62862) for which the first assessment date is 2008 and the first fee due date is 2009. Major stationary source(s) in the SSAB would continue to pay fees annually beyond 2008 until the Administrator of the U.S. EPA determines the air basin is in compliance with the federal one-hour ozone standard. Table 5 shows the cumulative projected revenue for the major stationary source in the SSAB paying their 2012 annual CAA non-attainment fee as well as for major stationary sources in the SOCAB that will be paying their 2012 annual CAA non-attainment fee based on their 2011 fee assessment and their 2010 baseline emissions. Facilities in the SOCAB would also continue to make annual CAA non-attainment fee payments beyond the initial 2012 CAA non-attainment fee payment until the Administrator of the U.S. EPA finds the SOCAB is in compliance with the federal one hour standard for ozone.

PR 317 annual CAA revenues are not projected for future years past 2012. While Appendix 1 is a list of all currently identified and active major stationary sources potentially subject to PR 317 the list could, and likely will, change by 2010 and in the years beyond. An existing major stationary source may agree to take a permit condition prior to the attainment date to lower their allowable or permitted emissions of VOC and NOx below the major source threshold and in which case the source would not be considered a major stationary source or an existing major stationary source may discontinue operations. In contrast, new facilities may begin operations in the AQMD or existing non-major stationary sources may expand to become a major stationary source. An example is a new electrical generating facility coming online in 2011. Any of these changes to the current list of major stationary sources and their associated emissions will affect the revenues estimated in this report.

Table 4 – CY 2009: A Range of Estimated Projected Revenues From PR 317 CAA non-attainment fees (SSAB Only)

Annual Percentage Reduction in Overall Emissions	VOC Total Revenue (\$)	NOx Total Revenue (\$)	VOC and NOx Total Revenue (\$)
<b>0.0%</b>	0	11,864	11,864
<b>2.0%</b>	0	10,464	10,464
<b>4.0%</b>	0	9,112	9,112

Table 5 – CY 2012: A Range of Estimated Projected Revenues From PR 317 CAA non-attainment fees (SSAB and SOCAB)

Annual Percentage Reduction in Overall Emissions	VOC Total Revenue (\$)	NOx Total Revenue (\$)	VOC and NOx Total Revenue (\$)
<b>0.0%</b>	15,800,000	19,500,000	35,300,000
<b>2.0%</b>	13,100,000	16,200,000	29,300,000
<b>4.0%</b>	10,800,000	13,300,000	24,100,000

## SOCIOECONOMIC ANALYSIS

The socioeconomic impact assessment for the proposed amendments will be available 30 days prior to the public hearing.

## CALIFORNIA ENVIRONMENTAL QUALITY ACT

Pursuant to the California Environmental Quality Act (CEQA) and the AQMD's Certified Regulatory Program (Rule 110), the AQMD will prepare appropriate CEQA documentation for the proposed adoption of Rule 317. Upon completion, the CEQA document will be available at AQMD Headquarters.

## DRAFT FINDINGS

Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the hearing. The draft findings are as follows:

**Necessity** - The AQMD Governing Board has determined that a need exists to adopt Rule 317 – Clean Air Act Non-Attainment Fees to comply with the requirements of the 1990 amendments to the Federal Clean Air Act.

**Authority** - The AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40522.5, 40702, and 41508 and Section 182(d), 182(e), 182(f) and 185 of the 1990 amendments to the Federal Clean Air Act.

**Clarity** - The AQMD Governing Board has determined that Rule 317 – Clean Air Act Non-Attainment Fees is written and displayed so that the meaning can be easily understood by persons directly affected.

**Consistency** - The AQMD Governing Board has determined that the adoption of Rule 317 – Clean Air Act Non-Attainment Fees is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, federal or state regulations.

**Non-Duplication** - The AQMD Governing Board has determined that the adoption of Rule 317 – Clean Air Act Non-Attainment Fees does not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the AQMD.

**Reference** - In adopting the Rule, the AQMD Governing Board references the following statutes which the AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40001 (rules to achieve ambient air quality standards), 40440(a) (rules to carry out the Air Quality Management Plan), and Sections 181, 182 and 185 of the 1990 amendments to the Federal Clean Air Act.

## **CONCLUSIONS and RECOMMENDATIONS**

Staff recommends that PR 317 be adopted to comply with requirements set forth in the 1990 amendments to the Clean Air Act and also to implement control measure MCS-08 of the 2007 Air Quality Management Plan.

## COMMENTS and RESPONSE to COMMENTS

Comment: Delay the current proposed December rule adoption hearing for a few months in order to allow for consideration of anticipated new guidance from U.S. EPA.

Response: There is currently a facility in the Riverside county portion of the Salton Sea Air Basin (SSAB) (in the District's jurisdiction) with a 2007 attainment year, a 2008 assessment year and with CAA non-attainment fees due in 2009 and any new major stationary source that might currently be permitted in the SSAB area would also be subject to these CAA provisions. In addition, U.S. EPA requires that regulations to implement the CAA non-attainment fees be adopted and submitted for inclusion in the State Implementation Plan two years prior to the attainment date. It is imperative that at a minimum a rule be adopted prior to 2009 in order to satisfy the requirement of the CAA that, such a rule is actually in place. In addition, because of the rule making timeline it would not be an efficient use of resources to bifurcate the rule based on air basins. This would result in a duplication of rule development efforts with a significant drain on District resources. If significant U.S. EPA policy is forthcoming in the future the District will have the opportunity to revisit an amendment.

Comment: The AQMD should consider alternative methods for establishing the baseline for a major stationary source in PR 317 that allows for averaging over multiple years or on a rolling average. The U.S. EPA has issued a guidance memo on this subject and the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) has adopted a CAA non-attainment fee rule with an alternative method for establishing the baseline.

Response: Section 185(b)(2) does allow for EPA to issue guidance for an alternative baseline determination for a major stationary source "if that source's emissions are irregular, cyclical, or otherwise vary significantly from year to year". However, under such a provision a major stationary source would have to clearly demonstrate that it meets these criteria. Furthermore, while the SJVAPCD has adopted a rule with such an averaging provision it has not been approved into the SIP by the U. S. EPA. The only SIP approved rule promulgating section 185 of the CAA is one adopted by an agency which does not contain an averaging provision. In addition, both the CAA and guidance issued by the U.S. EPA require that the baseline for a major stationary source be a set number based on the source's historical emissions. The baseline for a major stationary source could therefore not be based on any rolling average of post attainment years or initial years of operation after the attainment year.

Comment: How is the baseline for an existing major stationary source subject to the provisions of PR 317 on or before the attainment year determined?

Response: Section 185(b)(2) of the CAA provides that the baseline shall "be the lower of the amount of actual VOC [and NO<sub>x</sub>] emissions ("actuals") or VOC [or NO<sub>x</sub>] emissions allowed under the permit applicable to the source." A source may not

have a baseline based on actual emissions if the actual emissions exceed the allowed emissions for the source.

Comment: How is the baseline for a new major stationary source that becomes subject to the provisions of PR 317 after the attainment year determined?

Response: Section 185(b)(2) of the CAA provides that the baseline shall be “if no such permit has been issued for the attainment year, the amount of VOC [and NO<sub>x</sub>] emissions allowed under the applicable implementation plan (“allowable”) during the attainment year” which is the source’s potential to emit.

Comment: My actual emissions have historically been below the PR 317 PTE amount and I do anticipate reaching this level in the future. Can I have my PTE lowered to below the PR 317 attainment threshold to reflect this?

Response: A source may agree to an enforceable condition in their Permit to Operate to limit their emissions below the applicable threshold. However, any subsequent emission increase would involve a full NSR analysis of the source including BACT and offsets.

Comment: RECLAIM major stationary sources should receive credit for the programmatic emissions reductions already achieved.

Response: There is no provision in the CAA for such a programmatic credit.

Comment: Major stationary sources within the same industry and under common ownership should be allowed to “bubble” or average aggregate emissions for the purposes of establishing a baseline and CAA non-attainment fee assessments.

Response: There is no provision in the CAA for such an averaging provision. The CAA is specific in that the provisions apply to specific sources or facilities. Sources in the AQMD are distinguished by a unique AQMD facility identification number.

Comment: What will AQMD do with the fees generated by PAR 317?

Response: While the CAA is silent on the use of fees collected under PR 317, the goal of the AQMD is to apply these funds to air quality improvement programs that will result in the greatest overall benefits and emissions reductions on a case by case basis. Currently, it is anticipated that the most cost effective emissions reductions programs will receive priority funding.

Comment: PR 317 Fees should be directly re-invested in the facilities/sources that pay the fees.

Response: The intent of the Section 185 of the CAA and for the fees imposed is that such fees should be applied to emissions reductions that will bring the Basin(s) into compliance with air quality standards as expeditiously as possible. Currently, it is anticipated that any/all sources/programs would be eligible to receive CAA funds for emission reduction projects based on the air quality improvement program(s) cost effectiveness. If a major stationary source has the most cost effective proposal then it may very well receive funding for the project.

- Comment: Exclude emissions from equipment with BACT when calculating the CAA non-attainment fee amount.
- Response: There is no provision in the CAA for such an exemption or credit. The CAA is very specific in requiring emissions reductions beginning in the attainment (or initial year of operation if the source becomes subject to PR 317 after the attainment year) in which the facility becomes subject to PR 317. A clean unit provision was included in a rule from another California air district. That provision was cited by U.S. EPA as a cause for concern and the rule has not been SIP approved.
- Comment: Exclude any emissions from electrical generating facilities/sources when calculating PR 317 CAA non-attainment fees, if a system emergency has been declared.
- Response: There is no provision in the CAA for such an exemption.
- Comment: Allow for the surrender of RTCs or ERCs in order to defray a sources CAA non-attainment fees.
- Response: The CAA mandates specific emission reductions in order to move towards attainment with air quality standards or payment of CAA non-attainment fees. There is currently no methodology for assessing the equivalency of RTCs/STERCs/ERCs to assessed CAA non-attainment fees.
- Comment: Credit should be given for AER and other emissions fees already being paid by sources.
- Response: The CAA specifically requires that CAA non-attainment fees be independent of and in addition to any other source fees to encourage emission reductions past the attainment in order to more expeditiously attain stationary source standards.

## APPENDIX 1

### LIST OF MAJOR STATIONARY SOURCES IN THE AQMD

(Alphabetically by Source Name)

<b><u>SOURCE ID#</u></b>	<b><u>NAME OF MAJOR STATIONARY SOURCE IN THE SSAB</u></b>
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62862	IMPERIAL IRRIGATION DISTRICT/ COACHELLA
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<b><u>SOURCE ID#</u></b>	<b><u>NAME OF MAJOR STATIONARY SOURCE IN THE SOCAB</u></b>
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800088	3M COMPANY
13563	3M ESPE DENTAL PRODUCTS DIVISION
73635	ABLESTIK LABORATORIES
12362	ACCESS BUSINESS GROUP LLC, NUTRILITE
106358	ACCURATE METAL FABRICATORS INC
47084	ADVANCE PAPER BOX CO
57390	ADVANCE TRUCK PAINTING INC
45489	ADVANCED CARDIOVASCULAR SYSTEM
104017	AERA ENERGY LLC
104015	AERA ENERGY LLC
23752	AEROCRAFT HEAT TREATING CO INC
115394	AES ALAMITOS, LLC
115389	AES HUNTINGTON BEACH, LLC
42676	AES PLACERITA INC
115536	AES REDONDO BEACH, LLC
101667	AG-FUME SERVICE INC
106897	AG-FUME SERVICES INC
148236	AIR LIQUIDE LARGE INDUSTRIES U.S., LP
3417	AIR PROD & CHEM INC
101656	AIR PRODUCTS AND CHEMICALS, INC.
3704	ALL AMERICAN ASPHALT, UNIT NO.01
800289	ALLERGAN INC
140373	AMERESCO CHIQUITA ENERGY LLC
800196	AMERICAN AIRLINES INC (EIS USE)

152948	AMERICAN DOCK BOX
138285	AMERICAN REMEDIAL TECHNOLOGIES, INC.
59237	AMERICAN SECURITY PRODUCTS CO INC
59225	AMERICH CORP
149235	AMF ANAHEIM LLC
148615	ANDERSON PRINTING
11972	ANEMOSTAT-WEST, A MESTEK CO
16642	ANHEUSER-BUSCH INC., (LA BREWERY)
118314	ANTHONY, INC.
117140	AOC, LLC
222	ARCHITECTURAL WOODWORKING CO
800286	ARCO TERMINAL SERVICES CORP
800052	ARCO TERMINAL SERVICES CORP., TERMINAL 2
800051	ARCO TERMINAL SERVICES CORPORATION
11640	ARLON ADHESIVE SYSTEM/DECORATIVE FILMS
46646	ARLON, MATERIALS FOR ELECTRONICS DIV
110577	ARMORCAST PRODUCTS COMPANY
12155	ARMSTRONG WORLD INDUSTRIES INC
118379	ARROWHEAD REGIONAL MEDICAL CTR
100485	ATKINSON BRICK COMPANY
100500	ATLANTIC/PACIFIC SHUTTER CO INC
128819	AURORA MODULAR INDUSTRIES
117290	B BRAUN MEDICAL, INC
800016	BAKER COMMODITIES INC
147764	BALL AEROSOL AND SPECIALTY CONTAINER INC
117785	BALL METAL BEVERAGE CONTAINER CORP.
13618	BARRY AVE PLATING CO INC
14931	BAU FURNITURE MANUFACTURING, THOMAS BAU
40034	BENTLEY PRINCE STREET INC
119907	BERRY PETROLEUM COMPANY
118121	BERT-CO GRAPHICS, BERT-CO IND DBA
12129	BEVERLY HOSPITAL
113465	BFI WASTE SYS OF NA/AZUSA GAS SYS OPR
155474	BICENT (CALIFORNIA) MALBURG LLC
132068	BIMBO BAKERIES USA INC
20445	BIOLA UNIVERSITY
800209	BKK CORP (EIS USE)
113240	BLACK HILLS ONTARIO LLC
18814	BLACK OXIDE IND INC
62355	BLACKHAWK FURNITURE, INC



148535	BLUEGRASS FOLDING CARTON CO
140473	BOWNE OF LOS ANGELES INC
800395	BP WEST COAST PROD.,ARCO CARSON
800397	BP WEST COAST PROD.,ARCO COLTON
131003	BP WEST COAST PROD.LLC BP CARSON REF.
800396	BP WEST COAST PROD/ARCO VINVALE TERMINAL
131249	BP WEST COAST PRODUCTS LLC,BP WILMINGTON
132124	BP WEST COAST PRODUCTS, LLC/CARSON TERMI
98159	BREITBURN ENERGY CORP
111110	BRISTOL FIBERLITE INDUSTRIES, INC
52719	BROWNWOOD FURNITURE, INC.
1034	BUILDERS FENCE CO INC
119940	BUILDING MATERIALS MANUFACTURING CORP
25638	BURBANK CITY, BURBANK WATER & POWER
128243	BURBANK CITY,BURBANK WATER & POWER,SCPPA
72351	CAJOLEBEN, INC., GALASSO'S BAKERY, DBA
800387	CAL INST OF TECH
144590	CALIBER COLLISION CENTERS, CALIBER ACQUI
122410	CALIFORNIA NEWSPAPERS PARTNERSHIP/SB SUN
800181	CALIFORNIA PORTLAND CEMENT CO (NSR USE)
135729	CALIFORNIA SPECIALTY PAINTING
46268	CALIFORNIA STEEL INDUSTRIES INC
800022	CALNEV PIPE LINE, LLC
8309	CAMBRO MANUFACTURING CO
153992	CANYON POWER PLANT
22911	CARLTON FORGE WORKS
118406	CARSON COGENERATION COMPANY
141555	CASTAIC CLAY PRODUCTS, LLC
560	CATALINA YACHTS INC
16389	CEDARS-SINAI MEDICAL CTR
98492	CENTURY PLASTICS INC
37601	CENVEO ANDERSON LITHOGRAPH
800380	CERTIFIED ENAMELING INC
800272	CHEMOIL TERMINALS CORPORATION
800030	CHEVRON PRODUCTS CO.
800302	CHEVRON PRODUCTS COMPANY
2526	CHEVRON USA INC
800032	CHEVRON USA INC
135216	CHINO BASIN DESALTER AUTHORITY
56940	CITY OF ANAHEIM/COMB TURBINE GEN STATION

23194	CITY OF HOPE MEDICAL CENTER
139796	CITY OF RIVERSIDE PUBLIC UTILITIES DEPT
153420	CLOSETMAID
136155	CLOSETS BY DESIGN, INC
16978	CLOUGHERTY PACKING LLC/HORMEL FOODS CORP
141901	CMH MFG WEST INC, GOLDEN WEST HOMES DBA
80066	COATINGS RESOURCE CORP
123350	COLOR GRAPHICS INC
143597	COLORGRAPHICS
37336	COMMERCE REFUSE TO ENERGY FACILITY
800365	CONOCOPHILLIPS CO. L A TERMINAL
18503	CONOCOPHILLIPS COMPANY
800362	CONOCOPHILLIPS COMPANY
800363	CONOCOPHILLIPS COMPANY
800364	CONOCOPHILLIPS/COLTON TERMINAL-WEST CO
111814	CONOCOPHILLIPS/TORRANCE TANK FARM CO
126536	CONSOLIDATED FOUNDRIES - POMONA
10971	CONTAINER SUPPLY CO INC
2537	CORONA CITY, DEPT OF WATER & POWER
68042	CORONA ENERGY PARTNERS, LTD
19144	CORONET MFG CO INC
103864	COUNTRY AFFAIRE, INC
152707	CPV SENTINEL LLC
6961	CRAFTSMAN OFFICE FURNITURE
49327	CREATIVE PRESS HOLDINGS,LLC,DBA CREATIVE
118744	CREEL PRINTING COMPANY OF CALIFORNIA,INC
70220	CROWN CHROME PLATING INC
7949	CUSTOM FIBERGLASS MFG CO/CUSTOM HARDTOP
38911	CUSTOMCRAFT
104161	DANMER INC, DANMER CUSTOM SHUTTERS DBA
63180	DARLING INTERNATIONAL INC
3721	DART CONTAINER CORP OF CALIFORNIA
7411	DAVIS WIRE CORP
772	DEFT INC
69598	DELGADO BROTHERS CO
139304	DELTA PRINTING SOLUTIONS
9668	DELUXE LABORATORIES
7713	DELUXE PACKAGES
800037	DEMENNO/KERDOON
800189	DISNEYLAND RESORT

94529	DITTY CONTAINER INC
142220	DIVERSIFIED COATINGS, INC.
77641	DONAHUE PRINTING CO
98557	DOUBLE D ENTERPRISE INC
5723	DUCOMMUN AEROSTRUCTURES INC
140811	DUCOMMUN AEROSTRUCTURES INC
50869	DUNCAN BROS INC
13943	DUNN-EDWARDS CORP
45938	E.M.E. INC/ELECTRO MACHINE & ENGINEERING
136148	E/M COATING SERVICES
136173	E/M COATING SERVICES
13854	EAST LOS ANGELES COLLEGE
7417	EASTERN MUNICIPAL WATER DIST
19159	EASTERN MUNICIPAL WATER DIST
1703	EASTERN MUNICIPAL WATER DISTRICT
13088	EASTERN MUNICIPAL WATER DISTRICT
800264	EDGINGTON OIL COMPANY
133813	EI COLTON, LLC
115663	EL SEGUNDO POWER, LLC
8570	EMBEE INC
127568	ENGINEERED POLYMER SOLUTION, VALSPAR
74060	ENGINEERED POLYMER SOLUTIONS INC
19194	EPPINK OF CALIFORNIA
136202	EPSILON PLASTICS INC
116931	EQUILON ENT LLC, SHELL OIL PROD. U S
117560	EQUILON ENTER, LLC-SHELL OIL PROD. US
117225	EQUILON ENTER. LLC, SHELL OIL PROD. U S
800372	EQUILON ENTER. LLC, SHELL OIL PROD. US
800370	EQUILON ENTER., LLC, SHELL OIL PROD. U S
800369	EQUILON ENTER.LLC , SHELL OIL PROD. U S
47643	EXECUTIVE OFFICE CONCEPTS
124838	EXIDE TECHNOLOGIES
152895	EXTREME CUSTOM TRAILERS, DIV LIPPERT COM
800092	EXXONMOBIL OIL CORP
800091	EXXONMOBIL OIL CORP (NSR USE ONLY)
800089	EXXONMOBIL OIL CORPORATION
800171	EXXONMOBIL OIL CORPORATION
25501	FABRI-COTE,DIV A & S GLASS FABRICS CO IN
135204	FACILITY SAMPLE
3496	FAIRVIEW DEVELOPMENTAL CENTER

112956	FENDER MUSICAL INSTRUMENTS CORP.
29011	FLEETWOOD HOMES OF CAL INC
8936	FLEETWOOD MOTOR HOMES OF CAL INC
12280	FLEETWOOD TRAVEL TRAILERS OF CAL INC #15
134590	FLEISCHMANN'S VINEGAR CO, INC
12630	FLINT INK NORTH AMERICA CORP
12876	FOAM FABRICATORS
11716	FONTANA PAPER MILLS INC
124725	FORTUNE FASHIONS IND
152947	FRANKLIN ACQUISITION, LLC/FIBERNETICS MO
43605	FREE FLOW PACKAGING INTERNATIONAL, INC.
145740	FREEDOM GRAPHIC SYSTEMS, INC.
19766	FREMARCO DESIGNS
40915	FREUND BAKING CO
346	FRITO-LAY NORTH AMERICA, INC.
96013	FURNITURE TRADITIONS INC
2044	G B MFG INC/CALIF ACRYLIC, DBA CAL SPAS
155828	GARRETT AVIATION SVCS. LLC DBA STANDARD
45448	GAS RECOVERY SYST LLC (COYOTE CANYON)
61160	GE ENGINE SERVICES
12332	GEN AMERICAN TRANSPORTATION CORP/GATX
153033	GEORGIA-PACIFIC CORRUGATED LLC
152857	GEORGIA-PACIFIC GYPSUM LLC
139873	GIANT MERCHANDISING
800327	GLENDALE CITY, GLENDALE WATER & POWER
12660	GOLDSHIELD FIBERGLASS, INC, PLANT #58
139828	GRAPHIC PRESS LLC DBA INSYNC MKTG. SOL
10510	GREGG INDUSTRIES INC
142907	GREIF INDUSTRIAL PACKAGING & SERVS LLC
18378	GRUBER SYS INC
57094	GS ROOFING PRODUCTS CO, INC/CERTAINTED
40196	GUARDIAN INDUSTRIES CORP.
19130	HALLMARK SW CORP
61785	HANDBILL PRINTERS DBA AMERICAN WEB
106325	HARBOR COGENERATION CO
100145	HARBOR FUMIGATION INC
123774	HERAEUS METAL PROCESSING, INC.
15164	HIGGINS BRICK CO
67757	HIGHLAND PLATING CO
11192	HI-SHEAR CORPORATION

800066	HITCO CARBON COMPOSITES INC
11245	HOAG MEM HOSP PRESBYTERIAN
800003	HONEYWELL INTERNATIONAL INC
68996	HONEYWELL TURBO TECHNOLOGIES
23401	HOOD MFG INC
14164	HOUSE OF PACKAGING, INC
117339	HYDROSEAL POLYMERS, INC
24081	I. M. GINSBURG FURNITURE CO INC
149974	IMPRESS COMMUNICATIONS INC
124619	IMPRESS USA INC
123087	INDALEX WEST INC
134018	INDUSTRIAL CONTAINER SERVICES-CA LLC
124808	INEOS POLYPROPYLENE LLC
129816	INLAND EMPIRE ENERGY CENTER, LLC
147371	INLAND EMPIRE UTILITIES AGENCY
9163	INLAND EMPIRE UTL AGEN, A MUN WATER DIS
71704	INLAND LITHO, INC
102216	INNOVATION FIBERGLASS PRODUCTS
151843	INSULFOAM LLC
37076	INSYNC MEDIA INC
151005	INTERNATIONAL MARKETING & MFG. INC.
8488	INTERNATIONAL PAPER CO
48522	INTERNATIONAL RECTIFIER HEXFET AMERICA
106810	INTERSTATE BRANDS CORP
98531	INVESTMENT ENTERPRISES INC,GREAT WESTERN
800367	IPS CORP
22364	ITT INDUSTRIES, CANNON
24647	J. B. I. INC
131370	JACUZZI WHIRLPOOL BATH
6144	JAGUAR FINISHING CO
16697	JBL, INC.
800197	JENSEN INDUSTRIES INC.
119741	JENSEN PRECAST
91259	JOHANSON DIELECTRICS INC
13397	JOHN BOYD DESIGNS
14492	JOHNSON LAMINATING & COATING INC
74529	K. F. FIBERGLASS, INC.
16338	KAISER ALUMINUM FABRICATED PRODUCTS, LLC
800429	KAISER FOUNDATION HOSPITAL
93702	KCA ELECTRONICS INC

152330	KIK AEROSOL SOCAL LLC
21887	KIMBERLY-CLARK WORLDWIDE INC.-FULT. MILL
800056	KINDER MORGAN LIQUIDS TERMINALS, LLC
800057	KINDER MORGAN LIQUIDS TERMINALS, LLC
56888	KINRO INC
87716	KION PRINTING INC
1744	KIRKHILL RUBBER CO
130654	KOMFORT & DESIGN INDUSTRIES INC
108620	KRYSTAL KOACH INC
143025	KUSHWOOD LLC
55000	KYOWA AMERICA CORP
54424	L&L CUSTOM SHUTTERS INC,ALLWOOD SHUTTERS
142686	L. A. SPAS, INC
45262	LA COUNTY SANITATION DIST SCHOLL CANYON
49805	LA CITY, BUREAU OF SANIT(LOPEZ CANYON)
36909	LA CITY, DEPARTMENT OF AIRPORTS
800335	LA CITY, DEPT OF AIRPORT
800170	LA CITY, DWP HARBOR GENERATING STATION
800074	LA CITY, DWP HAYNES GENERATING STATION
800075	LA CITY, DWP SCATTERGOOD GENERATING STN
800193	LA CITY, DWP VALLEY GENERATING STATION
800214	LA CITY, SANITATION BUREAU (HTP)
10245	LA CITY, TERMINAL ISLAND TREATMENT PLANT
800312	LA CO HARBOR-UCLA MEDICAL CENTER
800236	LA CO. SANITATION DIST
550	LA CO., INTERNAL SERVICE DEPT
53610	LA CO., METROPOLITAN TRANS AUTHORITY
3093	LA CO., OLIVE VIEW/UCLA MEDICAL CENTER
6384	LA CO., RANCHO LOS AMIGOS NAT. REHAB CTR
800386	LA CO., SHERIFF DEPT
29411	LA CO., SHERIFF'S DEPT
42514	LA COUNTY SANITATION DIST (CALABASAS)
24520	LA COUNTY SANITATION DISTRICT
25070	LA COUNTY SANITATION DISTRICT
42633	LA COUNTY SANITATION DISTRICT (SPADRA)
75323	LA OPINION
18730	LA STEELCRAFT PROD.
20197	LAC/USC MEDICAL CENTER
800428	LAMPS PLUS INC/ PACIFIC COAST LIGHTING
24060	LASCO BATHWARE INC.

800313	LAXFUEL CORP
70915	LESTER LITHOGRAPH INC
144455	LIFOAM INDUSTRIES, LLC
83102	LIGHT METALS INC
151532	LINN WESTERN OPERATING INC
139799	LITHOGRAPHIX INC
800234	LOMA LINDA UNIV
44577	LONG BEACH CITY, SERRF PROJECT
115314	LONG BEACH GENERATION LLC
14213	LONG BEACH MEMORIAL MEDICAL CENTER
124904	LOS ANGELES TIMES COMMUNICATIONS LLC
124906	LOS ANGELES TIMES COMMUNICATIONS LLC
800080	LUNDAY-THAGARD COMPANY
13011	M.C. GILL CORP
14146	MAC GREGOR YACHT CORP
1379	MADISON-GRAHAM COLORGRAPHICS INC
114849	MAN-GROVE IND, INC/LITHOCRAFT CO. DBA
56547	MARCEL ELECTRONICS
2619	MARTIN LUTHER KING JR/MACC
800398	MASK-OFF COMPANY, INC
17841	MC DOWELL & CRAIG MFG. CO.
8918	MCCONNELL CABINETS INC
2825	MCP FOODS INC
91954	MENZIES AVIATION GROUP, INC.
58563	MERCURY PLASTICS INC
115563	METAL COATERS OF CALIFORNIA
94872	METAL CONTAINER CORP
102910	MICHELS & CO
104004	MICROMETALS, INC
155877	MILLERCOORS, LLC
39855	MIZKAN AMERICAS, INC
104806	MM LOPEZ ENERGY LLC
117297	MM PRIMA DESHECHA ENERGY, LLC
113873	MM WEST COVINA LLC
81752	MODTECH HOLDINGS, INC.
73367	MONARCH LITHO INC
115622	MONIERLIFETILE LLC
121737	MOUNTAINVIEW GENERATING STATION
11887	NASA JET PROPULSION LAB
15558	NELCO PRODUCTS INC

117882	NELSON NAMEPLATE COMPANY
40806	NEW BASIS
12428	NEW NGC, INC.
10656	NEWPORT LAMINATES
5887	NEXGEN PHARMA INC
129659	NM COLTON GENCO LLC.
129660	NM MID VALLEY GENCO LLC
129661	NM MILLIKEN GENCO, LLC
18294	NORTHROP GRUMMAN CORP, AIRCRAFT DIV
800408	NORTHROP GRUMMAN SPACE & MISSION SYSTEMS
800409	NORTHROP GRUMMAN SPACE & MISSION SYSTEMS
71207	NORTHWESTERN SHOWCASE & FIXTURE CO
112853	NP COGEN INC
134838	NUPLA CORPORATION
106711	NU-WAY LIVE OAK LANDFILL INC
50418	O C WASTE & RECYCLING
109505	OAKWOOD INTERIORS, INC
114312	OBERTHUR CARD SYSTEMS
52743	OC WASTE & RECYCLING
52753	OC WASTE & RECYCLING
69646	OC WASTE & RECYCLING
6163	OHLINE
89248	OLD COUNTRY MILLWORK INC
47781	OLS ENERGY-CHINO
17301	ORANGE COUNTY SANITATION DISTRICT
29110	ORANGE COUNTY SANITATION DISTRICT
35302	OWENS CORNING ROOFING AND ASPHALT, LLC
7427	OWENS-BROCKWAY GLASS CONTAINER INC
3525	P.B. FASTENERS
17953	PACIFIC CLAY PRODUCTS INC
151178	PACIFIC ENERGY RESOURCES, LTD.
146313	PACIFIC LA MARINE TERMINAL LLC
146810	PACIFIC LA MARINE TERMINAL LLC
150233	PACIFIC MFG MGMT, INC DBA GRENEKER SOLUT
121727	PACIFIC PIPELINE SYSTEM LLC
800417	PACIFIC TERMINALS LLC
800419	PACIFIC TERMINALS LLC - HUNTINGTON
800420	PACIFIC TERMINALS LLC - LONG BEACH
82608	PACIFIC WEST LITHO INC
21474	PACTIV CORP



22410	PALACE PLATING
130211	PAPER-PAK INDUSTRIES
58202	PARAGON LABS, NATURAL LIFE ECO VITE LABS
800183	PARAMOUNT PETR CORP (EIS USE)
12182	PARK LA BREA
103570	PARKINSON ENTERPRISES INC
18960	PASADENA CITY COLLEGE
800168	PASADENA CITY, DWP (EIS USE)
62851	PENN INDUSTRIES, INC.
142408	PENROSE LANDFILL GAS CONVERSION, LLC
101207	PERFORMANCE COMPOSITES INC, FIBERGLASS P
140552	PERFORMANCE COMPOSITES, INC
9978	PETER PEPPER PRODUCTS
800079	PETRO DIAMOND TERMINAL CO
17929	PINECRAFT CUSTOM SHUTTERS INC
15837	PLASTIC DRESS-UP CO
40991	PLASTICOLOR MOLDED PRODUCTS, INC
800212	POMONA VALLEY COMM HOSP (EIS USE)
7416	PRAXAIR INC
152501	PRECISION SPECIALTY METALS, INC.
102268	PREPRODUCTION PLASTICS, INC
136	PRESS FORGE CO
105903	PRIME WHEEL
59128	PRIME WOOD PRODUCTS INC
46	PROFESSIONAL REFINISHING ORGANIZATION
8220	PROVIDENCE ST JOSEPH MED CTR
132191	PUREENERGY OPERATING SERVICES, LLC
132192	PUREENERGY OPERATING SERVICES, LLC
132368	QUEBECOR WORLD GREAT WESTERN PUBLISHING
8547	QUEMETCO INC
82657	QUEST DIAGNOSTICS INC
3585	R. R. DONNELLEY & SONS CO, LA MFG DIV
78494	RAPID RACK INDUSTRIES INC
149241	REGAL CULTURED MARBLE
44655	REINHOLD INDUSTRIES INC
115315	RELIANT ENERGY ETIWANDA, INC.
119219	REPUBLIC SERV OF CALIF LLC(CHIQUITA CAN)
52517	REXAM PLC, REXAM BEVERAGE CAN COMPANY
94272	RGF ENTERPRISES INC
114801	RHODIA INC.

113518	RIDGEWOOD POWER MANAGEMENT,LLC
139010	RIPON COGENERATION LLC
15793	RIV CO, WASTE RESOURCES MGMT DIST, LAMB
6979	RIV CO., WASTE MGMT, BADLANDS LANDFILL
800182	RIVERSIDE CEMENT CO (EIS USE)
9961	RIVERSIDE CITY, WATER QUALITY CONTROL
100806	ROBINSON HELICOPTER CO INC
800113	ROHR,INC
89710	ROYAL CABINETS
23487	ROYAL PAPER BOX CO
32840	ROYAL TRUCK BODY INC
153095	SA RECYCLING LLC, ADAMS STEEL DBA
14833	SAINT JOHN'S HOSPITAL & HEALTH CENTER
13920	SAINT JOSEPH HOSPITAL
108701	SAINT-GOBAIN CONTAINERS, INC.
14437	SAN ANTONIO COMMUNITY HOSPITAL
58044	SAN BER CNTY SOLID WASTE MGMT - COLTON
7068	SAN BER CNTY SOLID WASTE MGMT
50299	SAN BER CNTY SOLID WASTE MGMT MID VALLEY
7371	SAN BER CNTY SOLID WASTE MGMT- MILLIKEN
11301	SAN BERNARDINO CITY MUN WATER DEPT (WRP)
4242	SAN DIEGO GAS & ELECTRIC
133323	SAN DIEGO SHUTTER CO INC
7450	SANDBERG FURNITURE MFG CO INC
77014	SARA LEE FRESH, INC
144385	SCHAWK, INC
15504	SCHLOSSER FORGE COMPANY
9898	SCIENTIFIC SPRAY FINISHES INC
141287	SCOTT BROS. DAIRY FARMS
122858	SEKISUI T.A. INDUSTRIES,INC
152811	SENSATION SPAS, INC
145464	SES TERMINAL LLC
800129	SFPP, L.P.
800278	SFPP, L.P. (NSR USE)
800279	SFPP, L.P. (NSR USE ONLY)
21089	SHERWOOD SHUTTER CORP
16639	SHULTZ STEEL CO
54402	SIERRA ALUMINUM COMPANY
85943	SIERRA ALUMINUM COMPANY
149814	SIERRACIN/SYLMAR CORP

121493	SIGNATURE FLEXIBLE PACKAGING, INC
147128	SILVER CREEK INDUSTRIES, INC
35482	SINCLAIR PRINTING CO
25513	SIX FLAGS THEMES PKS INC,SIX FLAGS MAGIC
105281	SKYLINE HOMES INC
109498	SNOW PLASTICS,HARRINGTON IND.PLSTCS,INC.
43201	SNOW SUMMIT INC
4477	SO CAL EDISON CO
17104	SO CAL EDISON CO
51003	SO CAL EDISON CO
51475	SO CAL EDISON CO
5973	SO CAL GAS CO
800128	SO CAL GAS CO (EIS USE)
8582	SO CAL GAS CO/PLAYA DEL REY STORAGE FACI
1334	SOC-CO PLASTIC COATING CO
114083	SOLUTIONS UNLIMITED, WILSON'S ART STUDIO
36738	SORENSEN ENGINEERING INC, FRANK SORENSON
999999	SOUTH COAST SPECIAL FACILITY ID
149620	SOUTHERN CALIFORNIA EDISON
148568	SOUTHWEST MILL & LUMBER
108711	SOUTHWEST MILL & LUMBER INC
61536	SPECIALTY FINISHES CO
6324	ST. BERNARDINE MEDICAL CENTER
103609	ST. JUDE MEDICAL CRMD
126498	STEELSCAPE, INC
52742	STOROPACK INC
123970	SUNDANCE SPAS INC
115586	SUNDANCE SPAS, INC
49111	SUNSHINE CANYON LANDFILL
139938	SUNSHINE GAS PRODUCERS LLC
2083	SUPERIOR INDUSTRIES INTERNATIONAL INC
76969	SYNAGRO COMPOSTING CO. OF CALIFORNIA INC
115892	T/O PRINTING
3968	TABC, INC
18931	TAMCO
392	TAYLOR-DUNN MFG CO
6643	TECHNICOLOR INC
71797	TED LEVINE DRUM CO
152033	TESORO REF & MKTG CO., LONG BEACH
151984	TESORO REF & MKTG. CO., WILMINGTON

151798	TESORO REFINING AND MARKETING CO
800436	TESORO REFINING AND MARKETING CO
84273	TEVA PARENTERAL MEDICINES, INC
96037	TEXTURE DESIGN FURNITURE INC
800038	THE BOEING COMPANY - C17 PROGRAM
40841	THE DOT PRINTER INC
6262	THE HON CO
11435	THE PQ CORP
24730	THE STRIP JOINT INC
83508	THE TERMO COMPANY
78376	THMX HOLDINGS, LLC THERMAL DYNAMICS CORP
74830	THORO PACKAGING INC
800330	THUMS LONG BEACH
129497	THUMS LONG BEACH CO
800325	TIDELANDS OIL PRODUCTION CO
68122	TIDELANDS OIL PRODUCTION COMPANY ETAL
800240	TIN, INC. TEMPLE-INLAND, DBA
137508	TONOGA INC, TACONIC DBA
57560	TOPPER PLASTICS INC
142417	TOYON LANDFILL GAS CONVERSION LLC
8935	TRAIL RITE INC
24450	TREND MANOR FURNITURE MFG CO INC
53729	TREND OFFSET PRINTING SERVICES, INC
9053	TRIGEN- LA ENERGY CORP
11034	TRIGEN-LA ENERGY CORP
800267	TRIUMPH PROCESSING, INC.
43436	TST, INC.
113674	U S A WASTE OF CAL(EL SOBRANTE LANDFILL)
14966	U S GOV'T, V A MEDICAL CENTER, WEST L A
800263	U.S. GOVT, DEPT OF NAVY
119939	UBS PRINTING GROUP
800026	ULTRAMAR INC (NSR USE ONLY)
800198	ULTRAMAR INC (NSR USE ONLY)
127749	ULTRAMAR, INC
9755	UNITED AIRLINES INC
800288	UNIV CAL IRVINE (NSR USE ONLY)
800265	UNIV OF SO CAL (EIS & NSR USE ONLY)
800202	UNIVERSAL CITY STUDIOS, LLC.
18452	UNIVERSITY OF CALIFORNIA, LOS ANGELES
56	UNIVERSITY SO CALIFORNIA,HEALTH SCIENCES

5679	US GOVT, VETERANS ADMINISTRATION MED CTR
13990	US GOVT, VETERANS AFFAIRS MEDICAL CENTER
12185	US GYPSUM CO
18695	US GYPSUM CO
1073	US TILE CO
79691	VACUUM METALIZING CO
800393	VALERO WILMINGTON ASPHALT PLANT
146534	VALLE DEL SOL ENERGY, LLC
111415	VAN CAN COMPANY
148553	VERNON CITY, LIGHT & POWER DEPARTMENT
14502	VERNON CITY, LIGHT & POWER DEPT
115130	VERTIS, INC
37881	VERTIS, INC.
151899	VINTAGE PRODUCTION CALIFORNIA LLC
80321	VISTA CONSOLIDATED INC
14495	VISTA METALS CORPORATION
2846	VISTA PAINT CORP
44276	VITATECH INTL INC
144197	WALKER WOOD PRODUCTS, INC.
146536	WALNUT CREEK ENERGY PARK
149027	WARREN E & P, INC.
50310	WASTE MGMT DISP & RECY SERVS INC (BRADLEY
10966	WEBER METALS INC
117460	WEDO GRAPHICS INC
152046	WELLHEAD POWER MARGARITA, LLC
42775	WEST NEWPORT OIL CO
74310	WESTERN HOMES CORP
17956	WESTERN METAL DECORATING CO
97019	WESTERN SUMMIT MANUFACTURING CORP
22092	WESTERN TUBE & CONDUIT CORP
110924	WESTWAY TERMINAL COMPANY
1962	WEYERHAEUSER COMPANY
132451	WEYERHAEUSER COMPANY
51620	WHEELABRATOR NORWALK ENERGY CO INC
127299	WILDFLOWER ENERGY LP/INDIGO ENERGY FAC
62617	WILLARD MARINE INC
19184	WINTERS INDUSTRIAL CLEANING INC
90326	WOODRIDGE PRESS INC
70021	XERXES CORP ( A DELAWARE CORP)
20504	ZIEMAN MFG CO

